

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4 and 2014 Iowa Acts, House File 2463, sections 39, 40, 45, 61 and 62, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment is based on 2014 Iowa Acts, House File 2463, which provides that community mental health centers (CMHCs) may choose to be reimbursed for the services provided to recipients of medical assistance at 100 percent of the reasonable costs of the services or in accordance with an alternative reimbursement rate methodology established by the medical assistance program’s managed care contractor for mental health services and approved by the Department of Human Services.

This amendment will reduce the number of CMHCs opting for the 100 percent cost-based reimbursement in favor of the new alternative statewide reimbursement rate methodology established by the Medicaid program’s managed care contractor for mental health services. The CMHCs that sought this type of alternative reimbursement methodology did so due to the inherent additional time involved in preparing and submitting cost reports and the inherent delays in the process for final cost settlement.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1520C** on July 9, 2014. This amendment was also Adopted and Filed Emergency and published as **ARC 1521C** on the same date and became effective July 1, 2014.

The Department received a comment on the amendment from one respondent. The respondent requested that the phrase “until a new state fiscal year” be removed from the end of paragraph 79.1(25)“b.” Discussions between the respondent and CMHC stakeholders leading up to the proposal of this amendment included acknowledgment that once a CMHC elected to move away from cost reporting (i.e., 100 percent cost-based reimbursement), the CMHC would not be given the opportunity to go back to 100 percent cost-based reimbursement and that the selection of one reimbursement methodology is consistent with the intent that this reimbursement change be cost-neutral.

The Department agreed with the respondent’s comment and request to remove the language, as it would not be efficient or cost-effective to provide CMHCs with the opportunity to elect to use a different methodology each year, nor would it meet the intent of the legislation as originally proposed. Paragraph 79.1(25)“b” has been revised to omit the phrase “until a new state fiscal year.”

The Council on Human Services adopted this amendment on August 13, 2014.

This amendment does not provide for waivers in specified situations because the legislation does not specifically allow for waivers. Requests for waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 249A.4 and 2014 Iowa Acts, House File 2463, sections 61 and 62.

This amendment will become effective October 8, 2014, at which time the Adopted and Filed Emergency amendment is hereby rescinded.

The following amendment is adopted.

Amend subrule 79.1(25) as follows:

79.1(25) Reimbursement for community mental health centers (CMHCs) and providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3).

a. Reimbursement methodology for providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3). Effective for services rendered on or after October 1, 2006, ~~community mental health centers and~~ providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3) that provide clinic services are paid on a reasonable-cost basis as determined by Medicare reimbursement principles.

b. Reimbursement methodology for community mental health centers. Effective for services rendered on or after July 1, 2014, community mental health centers may elect to be paid on either a 100

percent of reasonable costs basis, as determined by Medicare reimbursement principles, or in accordance with an alternative reimbursement rate methodology established by the Medicaid program's managed care contractor for mental health services and approved by the department of human services. Once a community mental health center chooses the alternative reimbursement rate methodology established by the Medicaid program's managed care contractor for mental health services, the community mental health center may not change its elected reimbursement methodology to 100 percent of reasonable costs.

c. *Cost-based reimbursement. Rates* For providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3) and CMHCs that elect the 100 percent of reasonable costs basis of reimbursement, rates are initially paid on an interim basis and then are adjusted retroactively based on submission of a financial and statistical report, pursuant to the following.

(1) to (5) No change.

~~b. d.~~ *Reporting requirements.* All providers other than CMHCs that have elected the alternative reimbursement rate methodology established by the Medicaid program's managed care contractor for mental health services shall submit cost reports using Form 470-4419, Financial and Statistical Report. A ~~hospital~~ Hospital-based provider providers required to submit a cost report shall also submit the Medicare cost report, CMS Form 2552-96. The following requirements apply to all required cost reports.

(1) to (6) No change.

[Filed 8/13/14, effective 10/8/14]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/3/14.